



Minutes: SPECIAL GENERAL MEETING held 05th May, 2023

1. Welcome by the Chair

The meeting was called to order at 2:00pm by the MVH Board Chairman, Chris OVERLAND with a special mention to the presence of the external auditor, Mr Ian Mostert and his colleague who attended to ensure the voting process particularly in this meeting has been strictly controlled by someone who has no interest one way or the other to the outcome of the vote.

The Chair welcomed the members to the meeting and began by acknowledging the traditional owners of the land upon which the meeting was being held, the Kurna people, and paid respects to their elders, present and future.

2. Introductory Remarks by the Chair

The Chair introduced members to the Board, giving a very brief summary of their respective qualifications, experience and skills. He expressed the view that the Board was collectively more than competent to manage and direct the affairs of the hospital.

Procedurally, the hospital has retained the services of Andreyev Lawyers, Adelaide to guide us through this process.

With respect to the day's proceeding, the Chair confirmed that pursuant to Clause 6.3 of the constitution only those members who had been members for 28 days or more before notice of the Special General Meeting was issued would be eligible to vote.

The Chair also advised that pursuant to the provisions of Clause 10.3(c) the only business that would be discussed was the two resolutions put by the Board. No motions would be accepted from the floor of the meeting.

The resolutions put forward to the members have been drafted by Andreyev Lawyers, Adelaide to very specifically meet the requirements of the Act and of the Constitution and they have to succeed or fail entirely on their own merits.

He further advised that in order to succeed the resolutions required the support of a 75% majority of the members who had submitted votes. To ensure the probity of the voting process the hospital had retained the services of Mr Ian Mostert, the hospital's External Auditor, who would supervise all aspects of the voting process and count the votes.



2. Introductory Remarks by the Chair – *continued...*

The Chair acknowledged past MVH Board members who too had encountered similar difficulties with keeping the hospital functioning.

The Chair then spoke to the issues surrounding the decision to close the hospital, including its persistent inability to operate on a financially viable basis and difficulties in recruit and retaining staff, notably doctors and nurses. There was in the judgement of the Board no realistic prospect that the hospital could ever operate profitably. This was the case despite the huge government subsidy now being utilised which equated to nearly 70% of the hospital's entire operating budget. The Board believed that the wider interests of the community were best served by recognising that the hospital was too old, too small and in the wrong location to play any further effective role in either the public or private hospital systems. In doing so, it acknowledged that this decision would cause some people upset and dismay, but it believed that this was nevertheless a reasonable and appropriate decision in the circumstances.

In relation to the proposed merger with James Brown Memorial Trust Kalyra (JBMT) the Chair outlined the reasons why the Board believed that this was the best option for the future. He also outlined the other options that the Board had considered including the government taking over the hospital, selling to another private hospital operator, redeveloping the hospital to meet modern standards, and redeveloping the hospital as a residential aged care facility or to create a 'health hub' which provided an array of medical and related services.

In the end the Board had concluded that a merger with JBMT was the best option because it was a long established not-for-profit, registered charity that had the management and financial capacity to redevelop the site to provide needed age and health related services to the community. Importantly, a merger with JBMT would comply with Clause 17(a) of the constitution and Section 43 of the Associations Incorporation Act, which deal with the disposal of an associations residual assets upon closure and winding up.

The Board was pleased that in preliminary talks regarding any potential merger, JBMT had indicated a willingness to protect and respect the history of the hospital, the interests of the hospital volunteers and the lease holders in the current facility, as well as undertake any necessary renovations to protect and preserve the heritage listed Tsong Gyaou building, regulated trees and the war memorial gardens.



2. Introductory Remarks by the Chair – *continued...*

The Chair advised the hospital tried to inform as many people as possible. We retained the services of a consultant, to help guide the hospital in doing this. So, we spoke to Minister of Health prior to deciding we would close, spoke with Member of Mawson, Leon Bignell, we've briefed Southern Adelaide Local Health Network (SALHN), Unions, the past Chairs of the Board, principals of GP practices but more importantly spoken to the hospital staff to ensure we provided sufficient notice so they could seek alternative employment, for which the great majority have been successful. We're also concerned about the approx. 70+ Volunteers and would like to protect their interest and of course the Members.

The Chair noted that one of the criticisms levelled at it had been that it had failed to consult widely enough with either members or the broader community about both closure and the options for the future. The Chair strongly refuted such claims, drawing attention to his statements at the last two Annual General Meetings regarding the looming need to close the hospital and to the wide publicity given to both the closure decision and to the Board's preferred option for the future.

The Chair provided the members with an explanation behind the resolution(s): Resolution #1 - empowers the Board to enter into negotiations with JBMT. It doesn't oblige the Board to do a deal. If the Board can't do a deal that we believe would satisfy the interests of the Membership broadly then we won't. Further, before the Board finalises any deal, they will write to the members to advise what the main elements of that deal are and give members the opportunity to provide their feedback.

Resolution #2 – logically follows from the first resolution, i.e.: effectively if you have given over the assets of the hospital to another body then logically you don't need to have an association anymore. The Chair further provided an explanation of the issue surrounding "gifting".

When finalising his comments, the Chair indicated that if the resolutions did not succeed the Board intended to continue operating the hospital until the end of the 2022-23 financial year after which it would convene a General Meeting at which the current Board members would stand down and members would be required to elect a new Board to take the Association into the future.

3. Questions and Comments

After closing his remarks, the Chair then invited comments and questions from the floor of the meeting. A large number of members had the opportunity to speak either for or against the resolutions and many questions were asked about the impending hospital closure, the proposed resolutions and the circumstances leading up to them.

After nearly two (2) hours of extensive discussion which had ranged very broadly over the issues and circumstances that had led to the current meeting, the Chair brought the discussion to an end. He thanked the members for their willingness and ability to engage in a mostly civil if sometimes quite impassioned debate about what were undoubtedly difficult matters.

4. Conduct of the Ballot

The Chair requested that those members who had not already voted to please mark their ballot papers and deposit them in the ballot box at the front of the hall. He advised that the External Auditor had counted pre-poll and proxy votes the previous evening, those documents having at all times been kept under lock and key at the hospital.

When all members had been able to cast their votes, the Chair formally closed the poll and the count was then conducted by the External Auditor in front of the members present. The vote was counted and then subsequently recounted twice to ensure that there could be no suggestion of a miscount or other error.

The results were then given to the Chair who announced them to the meeting:

Resolution #1 – Merger with James Brown Memorial Trust (JBMT)

For: 82 Against: 29 Informal: Nil Motion Lost

Resolution #2 – Winding up of the Hospital

For: 79 Against: 30 Informal: 2 Motion Lost

5. Next Steps

The Chair advised that, as he had previously indicated, the Board intended to continue operating the hospital until the end of the 2022-23 financial year after which it would convene a General Meeting at which the current Board members would stand down and members would be required to elect a new Board to take the Association into the future.

6. Closing Remarks by the Chair

The Chair thanked the members present for their participation in what had been a long and sometimes difficult meeting.

The meeting closed at 4:15pm, 5th May, 2023.